

FINANCE DEPARTMENT

Department Purpose and Description

The Department is organized into three divisions, Fiscal Operations, Treasury, and Purchasing. The primary functions of the Department are to administer the City's financial affairs, supervise the disbursement of all monies, manage all fiscal systems, collect and record all revenues, assist in the preparation of the citywide budget, manage all investments and borrowing, and provide centralized procurement services to all City departments.

Major Accomplishments for Fiscal Year 2004 & 2005

- Received the "Certificate of Achievement For Excellence in Financial Reporting" from the Government Finance Officers Association and the "Award for Outstanding Financial Reporting" from the California Society of Municipal Financial Officers for the fiscal year 2004 Comprehensive Annual Financial Report.
- Received the Achievement of Excellence in Procurement Award from the National Purchasing Institute, a process sponsored by the California Association of Public Procurement Officers and the National Association of Purchasing Management.
- Issued \$11.3 million in Refunding Certificates of Participation at 2.69%. This issue refunded the Town Center II Parking Project COP resulting in savings of \$1.8 million (Net Present Value of \$1.4 million).
- Issued \$37.2 million in Certificates of Participation to fund the construction of Phase 1 of the Civic Center and for infrastructure improvements in western Chula Vista.
- Issued four Community Facility District Bonds totalling \$67.85 million. The issues were for infrastructure improvements in the following districts:

McMillian Otay Ranch Village 6	(\$10.25 million)
Otay Ranch Village 6	(\$21.67 million)
Otay Ranch Village 11	(\$28.05 million)
Eastlake-Woods Land Swap	(\$7.88 million)
- Processed a request from Otay Ranch to call bonds totaling \$1.3M on AD 97-2 and CFD 99-1 which resulted in a 4% savings to homeowners.
- In March 2004, City Council authorized the issuance and sale of not to exceed \$686.4 million of refunding Industrial Development Bonds (IDBs). In June 2004, SDG&E issued bonds for \$272.9 million with a potential \$413.5 million remaining to be issued. This generated \$682,163 in revenue to the General Fund.
- During fiscal year 2005 the Finance Department developed a Strategic Business Plan using the Managing for Results Model. The plan was developed over a period of

several weeks and allowed for participation from the entire Finance Department as well as input from other city staff. Through this process the Finance department identified issues that will be effecting the department in the next two to five years, established goals to address those issues proactively, and developed performance measures to track the progress in achieving those goals. The implementation of the Strategic Business Plan will put renewed focus on achieving results for our customers.

Major Goals and Challenges for Fiscal Years 2006 and 2007

The Finance Department has many goals and challenges for the next two years including:

- Issuance of Civic Center Certificates of Participation for financing of the 2nd phase of the Civic Center remodel.
- Refunding of several existing CFDs which will result in tax savings to property owners within these districts.
- Refunding of 1994 Series A Tax Allocation Bonds which will generate debt service savings for the Redevelopment Agency.
- Participation in the Statewide Educational Revenue Augmentation Fund (ERAF) Loan Program offered through California Communities. This program was created as a part of the legislation that mandated ERAF payments for FY 2004-05 and FY 2005-06. The bond issuance through California Communities will fund the Redevelopment Agency's ERAF payment to the State.
- Conduct a cost/feasibility study to determine if the sewer billing function currently performed by Otay Water District should be assumed by Finance or if sewer service charges should be placed on the property tax bill for collection.
- Update and/or develop written policies and procedures (i.e. travel, auto allowance, etc.)

In fiscal year 2006 and 2007 the Finance department will continue with the implementation of the strategic business plan. As such the department will focus on the four strategic goals developed as part of the Finance Strategic Business Plan, those goals are as follows:

1) Sound Financial Management

- By FY 2007, the Finance Department will complete a long-range financial planning document which will evaluate the implications of current and projected service levels needs, programs and policies; developing strategies to achieve the City's goals and address potential gaps between expenditure and revenues on a long term basis.
- By FY 2009, the Finance Department will be recognized by professional associations as a model financial management organization.
- The Finance Department will strive to maintain or improve the City's credit rating from the various rating agencies.

- The Finance Department will continue to maintain an unqualified audit opinion on annual financial reports.
- By FY 2008, in order to safeguard the City's financial reputation, the Finance Department will implement an internal audit function.
- By FY 2007, in order to ensure that payroll is being processed in an accurate and efficient manner the Finance Department, in conjunction with Human Resources, will conduct a payroll operational review.

2) Provide accurate, consistent and timely information

- By FY 2007, 95% of Finance Department customers will report that they received accurate, consistent, and timely information.

3) Maximize Technology

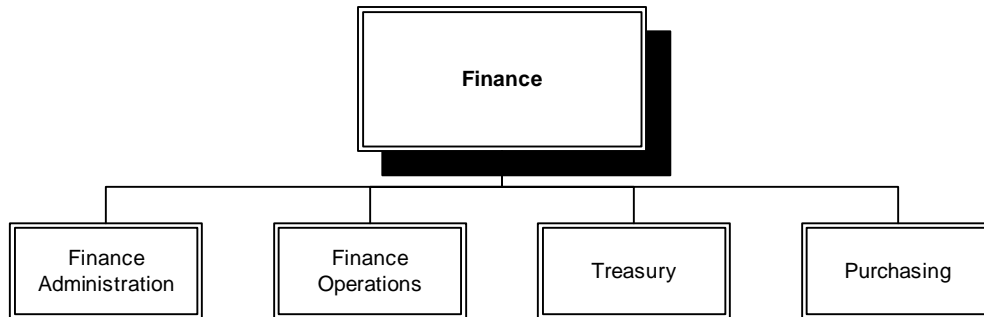
- By FY 2007, the Finance Department (in conjunction with MIS) will deploy all accounting software upgrades within 6 months of release.
- By FY 2007, the Finance Department will utilize the Internet and other technology to improve the convenience of conducting business with the City.

4) Succession Planning

- By FY 2007, the Finance Department will design and implement succession plans for key department positions.
- By FY 2006, all key Finance Department positions will have appropriate coverage that is not compromised by vacancies.

FINANCE

ORGANIZATION CHART



FINANCE 08000

EXPENDITURES

	FY 2004 ACTUAL	FY 2005 AMENDED	FY 2006 ADOPTED	FY 2007 ADOPTED
Personnel Services	2,290,976	2,453,361	2,662,241	2,738,648
Supplies and Services	158,992	205,182	148,131	148,131
EXPENDITURE TOTALS	\$2,449,968	\$2,658,543	\$2,810,372	\$2,886,779

Expenditures by Division

DIVISION	FY 2004 ACTUAL	FY 2005 AMENDED	FY 2006 ADOPTED	FY 2007 ADOPTED
08100 Administration	456,233	419,894	454,752	468,752
08300 Operations	968,561	1,092,976	1,121,159	1,150,600
08500 Treasury	537,793	611,306	663,710	681,204
08700 Purchasing	487,381	534,367	570,751	586,223
EXPENDITURE TOTALS	\$2,449,968	\$2,658,543	\$2,810,372	\$2,886,779

REVENUES

	FY 2004 ACTUAL	FY 2005 PROJECTED	FY 2006 ESTIMATED	FY 2007 ESTIMATED
Other Local Taxes	228	9,965	10,364	10,778
Use of Money & Property	99,830	73,538	90,500	90,500
Revenue from Other Agencies	0	25,736	25,736	26,509
Charges for Services	30,701	7,670	7,808	8,078
Other Revenue	611,335	641,025	811,661	853,540
Transfers In	516,822	555,767	349,443	359,926
REVENUE TOTALS	\$1,258,916	\$1,313,701	\$1,295,512	\$1,349,331

FINANCE

AUTHORIZED POSITIONS

	FY 2001	FY 2002	FY 2003	FY 2004	FY2005	FY2006	FY2007
Director of Finance	0	0	1	1	1	1	1
Assistant Director of Finance	1	1	1	1	1	1	1
Accountant	3	3	3	3	3	2	2
Accounting Assistant	0	4	4	4	4	8	8
Accounting Assistant II	1	0	0	0	0	0	0
Accounting Assistant III	3	0	0	0	0	0	0
Accounting Technician	0	2	2	2	2	3	3
Administrative Office Specialist	1.58	0	0	0	0	0	0
Administrative Secretary	1	1	1	1	1	1	1
Associate Accountant	0	0	0	0	0	1	1
Asst. City Manager - Admin Services	1	1	0	0	0	0	0
Buyer	1	0	0	0	0	0	0
Collections Supervisor	1	1	1	1	1	1	1
Customer Service Representative	4	4	4	4	4	0	0
Fiscal Operations Manager	1	1	1	1	1	1	1
Payroll Technician	1	0	0	0	0	0	0
Procurement Specialist	0	1	1	1	1	2	2
Purchasing Agent	1	1	1	1	1	1	1
Senior Accountant	2	2	2	2	2	2	2
Senior Accounting Asst	3	1	1	1	1	1	1
Senior Buyer	1	0	0	0	0	0	0
Senior Fiscal Office Specialist	0	1	1	1	1	0	0
Senior Procurement Specialist	0	1	1	1	1	1	1
Storekeeper	1	1	1	1	1	1	1
Storekeeper Supervisor	1	1	1	1	1	0	0
Treasury Manager	1	1	1	1	1	1	1
Total Permanent FTE's	29.58	28	28	28	28	28	28

FINANCE

MISSION STATEMENT • GOALS • OBJECTIVES AND MEASURES

MISSION STATEMENT: The Chula Vista Finance Department is dedicated to ensuring the long-term financial stability of the City and enhancing public and organizational trust through integrity of financial reporting and sound financial management practices.

GOAL: Provide a high level of accountability for the fiscal functions of expenditure and revenue projection, expenditure control, cash management, accounts payable, accounts receivable, payroll, purchasing and debt management.

Objective: *Assist in preparing the annual budget for City Council adoption and monitor operating performance in comparison with the adopted budget, advising the City Council of variances and their causes.*

Annual Measure	FY03 ACT.	FY04 ACT.	FY05 EST.	FY06 PROJ.	FY07 PROJ.
General revenue realized greater than or equal to the amended budget	Yes	Yes	Yes	Yes	Yes
% of quarterly status reports finished within 45 days of quarter end	75%	75%	75%	75%	75%

Objective: *Produce the Comprehensive Annual Financial report (CAFR) in accordance with generally accepted governmental accounting principles so as to receive an unqualified opinion from external auditors and qualify for the Government Finance Officers of America (GFOA) award for excellence in financial reporting.*

Annual Measure	FY03ACT.	FY04 ACT.	FY05 EST.	FY06 PROJ.	FY07 PROJ.
Unqualified opinion on CAFR received	Yes	Yes	Yes	Yes	Yes
GFOA financial reporting award received	Yes	Yes	Yes	Yes	Yes

Objective: *Maintain effective cash collection procedures in order to maximize cash flow while providing a high level of customer service.*

Annual Measure	FY03 ACT.	FY04 ACT.	FY05 EST.	FY06 PROJ.	FY07 PROJ.
% of revenues deposited and accounted for within 3 business days	98%	98%	98%	98%	98%

GOAL: Maintain an effective centralized procurement system serving all City functions.

Objective: *Process all requisitions received for goods and services in an appropriate and timely manner.*

Annual Measure	FY03 ACT.	FY04 ACT.	FY05 EST.	FY06 PROJ.	FY 07 PROJ.
% of purchase orders issued within 2 weeks of requisition receipt	80%	80%	80%	80%	80%